



4004

ANNUAL REPORT

OF

Name: MOUNT HOREB TELEPHONE COMPANY

Principal Office: 200 E MAIN ST
P.O. BOX 65
MOUNT HOREB, WI 53572-0065

For the Year Ended: DECEMBER 31, 2001

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. The annual report due date is April 1 of the following year. (Example: The 2001 report is due April 1, 2002.) If that date falls on a weekend or holiday, the annual report is due the following business day.
2. **Electronic filing via e-mail is required.** Go to the Public Service Commission of Wisconsin's web page at <http://psc.wi.gov>, click on Telecommunications and click on Annual Report for Incumbent Local Exchange Carriers (LECs).
3. LEC entities with no revenues for the report year are required to file a LEC annual report.
4. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records of the utility in conformity with the Uniform System of Accounts prescribed by the Public Service Commission in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
5. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
6. Wherever information is requested in a "note," please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
7. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. The program will convert the minus sign to parentheses if a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
8. Please report all dollar amounts to the nearest whole dollar.
9. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
10. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, the previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
11. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
12. The LEC annual report program incorporates provisional confidentiality capability for selected items, based on the Commission's confidentiality determination dated February 5, 2002.
13. It is not necessary to sign the signature page.
14. **Edit Check, Confidential Listing, Exported Annual Report, and Export Status Files;
Filing the Completed Report:**

GENERAL RULES FOR REPORTING

Program edit checks, which are located under the Admin dropdown menu, should be run at the completion of data entry. Each edit problem lists pertinent schedule(s) as well as the nature of the problem (such as "does not equal"). Edit items should be reviewed and corrected; unresolved problems should be footnoted in the report, if necessary. This screen automatically saves the edit checks to an .edt file that may be viewed and edited (for purposes of adding necessary notations) using a word processing package such as WordPad.

The confidential listing, which is located under the Admin dropdown menu, should also be run at the completion of data entry. This will create a .clf file.

Select the annual report to export from the Main-Report Selection window. Click Admin, Export Data to PSC to start the export process. This will create an .mdb file, which will subsequently be encrypted to a file with an .sen extension. An export status file is also created (with a .txt extension). The export status report file may also be viewed in a word processing package such as WordPad. If you encounter any export errors, please contact the Commission for assistance.

The .edt, .clf, .sen, and .txt files will be zipped to a file with a .zip extension. An e-mail message will be created, addressed to pscrcs@psc.state.wi.us. The .zip file is automatically attached to the e-mail message. After the e-mail is created, it will automatically be sent to the Commission.

Once received and processed by the Commission, you will receive a response indicating that your annual report has been received and is being processed. You will be notified if there are any problems with the annual report filing.

15. Name Changes:

If a name change is identified in the report, documents from the State of Wisconsin Department of Financial Institutions (DFI) also must be submitted to the Commission:

A domestic corporation should send a copy of the stamped page from its Articles of Amendment as filed with DFI. A foreign corporation should send a copy of their Amended Certificate of Authority as issued by DFI.

These documents can be obtained by:

1. Calling DFI at (608) 261-7577;
2. Contacting DFI on the web at www.wdfi.org; or
3. By writing to DFI at P.O. Box 7846, Madison, WI 53707-7846.

While the electronic annual report filing may detail the name change (i.e., date of the change and the affected entities with their respective four-digit Commission utility identification numbers), a name change is not effective in the Commission's records until a separate notification letter is sent to the Commission including documentation to confirm registration of that change with the State of Wisconsin Department of Financial Institutions.

16. Changes to the Annual Report Subsequent to Filing:

If making revisions to the report subsequent to filing with the Commission, resubmit the report via e-mail following the procedures set forth above in item number 14. New edit check, confidential listing, exported annual report, and export status files should be created as a result of the revisions.

TABLE OF CONTENTS

Schedule Name	Page
Cover Page	1
General Rules for Reporting	2
Signature Page	3
Table of Contents	4
Annual Telecommunications Report Glossary of Terms	5
Abbreviations Used in Annual Reports	6
Identification and Ownership	7
Officers and Directors	7
Income Statement - Total Company	8
Notes to Income Statement or Balance Sheet	9
Balance Sheet - Assets (Class B Use Accounts Designated By *)	10
Balance Sheet - Liabilities (Class B Use Accounts Designated By *)	11
Important Changes During the Year	13
Affiliate Abbreviations	14
Affiliated Interest Transactions	15
Affiliated Assets and Liabilities	16
Telecommunications Plant in Service Class A & B	22
Telecommunications Plant in Service Class A & B (Sub-Class Accounts)	24
Accumulated Depreciation Class A & B	26
Accumulated Depreciation Class A & B (Sub-Class Accounts)	28
Retained Earnings (Acct. 4550)	37
Revenues - Class A & B (Class B Use Accounts Designated By *)	40
Expenses - Class A & B	41
Calculation of Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	43
Calculation of Assessable Revenues for Universal Service Fund Assessment Purposes	43
Other Income Accounts	44
Nonregulated Activities	45
Employee Data - End of Year	46
Telephone Calls and Minutes of Use Per Month	47
Access Usage	48
Outside Plant Statistics at End of Year	49
Special Access Circuits in Use at End of Year	49
Service Data	50
Service Data - End of Year	52
Equipment Abbreviations	54
Manufacturer Abbreviations	54
Central Office Data - End of Year	55
General, Schedule Level and Schedule Line Footnotes	56

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
 CO	.....	Central Office
 Depr	.....	Depreciation
 Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
 FOY	.....	First of Year
 Info	.....	Information
ITC	.....	Investment Tax Credit
 Misc	.....	Miscellaneous
 Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
 Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
 Prop	.....	Property
 Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
 Svcs	.....	Services
 Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
 Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: MOUNT HOREB TELEPHONE COMPANY
Utility Location: 200 E MAIN ST
P.O. BOX 65
MOUNT HOREB, WI 53572-0065

Utility Web Site Address:

When was utility organized?: 12/15/1919

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR JOHN A. KLARER
Title: GENERAL MANAGER

Office Address: 200 E MAIN ST
P.O. BOX 65
MT HOREB, WI 53572

Fax Number: (608) 437 - 8898
Telephone Number: (608) 437 - 5551
Email Address: JAK@MHTC.NET

Individual or firm, if other than utility employee, preparing this report

Name:
Title:

Office Address:

Fax Number:
Telephone Number:
Email Address:

Person responsible for financial information contained in report

Name: MRS KRISTINE A. MANCHESTER
Title: ACCOUNTANT

Office Address: 200 E MAIN ST
P.O. BOX 65
MT HOREB, WI 53572

Fax Number: (608) 437 - 8898
Telephone Number: (608) 437 - 5551
Email Address: KAM@MHTC.NET

Person responsible for statistical information contained in report

Name: MRS KRISTINE A. MANCHESTER
Title: ACCOUNTANT

Office Address: 200 E MAIN ST
P.O. BOX 65
MT HOREB, WI 53572

Fax Number: (608) 437 - 8898
Telephone Number: (608) 437 - 5551
Email Address: KAM@MHTC.NET

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name:	NONE
Address:	NONE
	PO BOX 0000
	NONE, WI 00000
Number of Shares Held:	
Beneficial Owner:	NONE

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name:	MH COMMUNICATIONS INC
Form of Interest:	100 % OWNED SUBSIDIARY
Extent Of Interest:	100% INTEREST

Company Name:	MH TELECOM INC
Form of Interest:	100 % OWNED SUBSIDIARY
Extent Of Interest:	100% INTEREST

OFFICERS AND DIRECTORS**Name, Title/Occupation
and Business Address**

Name: ARTHUR T. FIELD Title/Occupation: VICE PRESIDENT Business Address (1): 200 EAST MAIN STREET Business Address (2): Business Address (3): City State, Zip: MOUNT HOREB, WI 53572	1
<hr/>	
Name: CLARENCE V. THRONSON Title/Occupation: PRESIDENT Business Address (1): 200 EAST MAIN STREET Business Address (2): Business Address (3): City State, Zip: MOUNT HOREB, WI 53572	2
<hr/>	
Name: HARRY COOK Title/Occupation: TREASURER Business Address (1): 200 EAST MAIN STREET Business Address (2): Business Address (3): City State, Zip: MOUNT HOREB, WI 53572	3
<hr/>	
Name: JOHN KLARER Title/Occupation: GENERAL MANAGER/SECRETARY Business Address (1): 200 EAST MAIN STREET Business Address (2): Business Address (3): City State, Zip: MOUNT HOREB, WI 53572	4
<hr/>	
Name: MARY LOU UNDERWOOD Title/Occupation: DIRECTOR Business Address (1): 200 EAST MAIN STREET Business Address (2): Business Address (3): City State, Zip: MOUNT HOREB, WI 53572	5

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	5,182,264	4,844,307	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	397,095	413,945	2
Plant Nonspecific Operations Expense	1,345,088	1,248,518	3
Customer Operations Expense (6610-6620)	662,015	615,478	4
Corporate Operations Expense (6710-6790)	477,902	408,679	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	642,674	830,425	7
Total Operating Expenses	3,524,774	3,517,045	8
Net Operating Income	1,657,490	1,327,262	9
Other Income			
Nonoperating Income and Expense (7300)	5,826,941	132,156	10
Nonoperating Taxes (7400)	2,614,439	(8,677)	11
Interest and Related Items (7500)	387,477	383,088	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	54,622	17,141	14
Total Nonoperating Income	2,879,647	(225,114)	15
Net Income	4,537,137	1,102,148	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

The accounting policies of the company conform to generally accepted accounting principles. Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Telephone operations reflect practices appropriate to the telephone industry. The accounting records of the company are maintained in accordance with the Uniform System of Accounts for the Class A and B Telephone Companies prescribed by the FCC as modified by the PSCW. Telephone plant and other property are capitalized at original cost including: the capitalized cost of salaries and wages, materials, certain payroll taxes, employee benefits, and interest incurred during the construction period.

The company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates, based on the estimated service lives of the various classes of depreciable property. Renewals and betterments of units of property are charged to telephone plant in service. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation, together with removal cost less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable property. Repairs and renewals of minor items of property are included in plant specific operations expense.

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the financial statements including both taxes currently due and deferred. Deferred taxes are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred taxes arise from property and equipment and investments. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible, when the assets and liabilities are recovered or settled.

Revenues are recognized when earned regardless of the period in which they are billed. Network access service revenues are derived from charges for access to the Company's local exchange network. The interstate portion of access revenues are based, in part, on cost separation procedures, except for traffic sensitive rates which are based on company tariffed rates, on file with the FCC. The intrastate portion of access revenues are billed on individual company tariff access charges approved by the PSCW.

Debt and marketable equity securities bought and held principally for selling in the near future are classified as trading securities and carried at fair value. Unrealized holding gains and losses on trading securities are reported in earnings. Debt and marketable equity securities classified as available for sale are carried at fair value with unrealized holding gains and losses recorded as a separate component of

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

unrealized holding gains and losses recorded as a separate component of stockholders' equity. Debt securities for which the company has both the positive intent and ability to hold to maturity are classified as held to maturity and carried at amortized cost. The company uses the FIFO of computing realized gains and losses. Nonmarketable equity investments, over which the Company has significant influence or a 20% ownership, are reflected on the equity method. Other nonmarketable equity investments are stated at cost.

2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None

3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The mortgage to the United States of America, underlying the RUS and RTB notes, contains certain restrictions on the declaration or payment of cash dividends, redemption of capital stock, or investment in affiliated companies except as might be specifically authorized in writing in advance by the RUS and RTB noteholders.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	4,442,254	940,778	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	4,442,254	940,778	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	115,926	148,675	6
Accounts Receivable Allowance-Telecom (1181)*			7
Net: Telecommunications Accounts Receivable	115,926	148,675	
Other Accounts Receivable (1190)*	774,120	636,811	8
Accounts Receivable Allowance--Other (1191)*			9
Net: Other Accounts Receivable	774,120	636,811	
Notes Receivable (1200)*		25,000	10
Notes Receivable Allowance (1201)*			11
Net: Notes Receivable	0	25,000	
Interest and Dividends Receivable (1210)*	10,243	5,541	12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	900,289	816,027	
SUPPLIES			
Inventories (1220)*	56,271	73,161	13
TOTAL SUPPLIES	56,271	73,161	
PREPAYMENTS			
Total Prepayments (1280)*	63,603	38,689	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	63,603	38,689	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	39,199	53,862	20
TOTAL OTHER CURRENT ASSETS	39,199	53,862	
TOTAL CURRENT ASSETS	5,501,616	1,922,517	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	5,001,000	3,336,370	21
RTB Class B Stock (1402)*	122,800	101,100	22
Other Investments in Nonaffiliated Companies (1402)*	864,930	901,602	23
Nonregulated Investments (1406)*	56,728	87,298	24
Unamortized Debt Issuance Expense (1407)*	2,779	2,953	25
Sinking Funds (1408)*			26

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	32,028	41,730	27
TOTAL INVESTMENTS	6,080,265	4,471,053	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*			28
Deferred Maintenance and Retirements (1438)*			29
Deferred Charges (1439)*			30
TOTAL DEFERRED CHARGES	0	0	
TOTAL NONCURRENT ASSETS	6,080,265	4,471,053	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	15,964,309	15,663,659	31
Less: Accumulated Depreciation (3100)*	6,960,166	8,327,681	32
Less: Accumulated Amortization--Capitalized Leases (3410)*			33
Less: Accumulated Amortization--Leasehold Improvements (3420)*			34
Less: Accumulated Amortization--Intangible (3500)*			35
NET TELECOMMUNICATIONS PLANT IN SERVICE	9,004,143	7,335,978	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*			36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*			37
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*			38
Less: Accumulated Depreciation--Nonoperating (3300)*			39
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	434,912	1,110,621	40
TOTAL TPUC	434,912	1,110,621	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			41
Less: Accumulated Amortization--Other (3600)*			42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	9,439,055	8,446,599	
TOTAL ASSETS AND OTHER DEBITS	21,020,936	14,840,169	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	1,356,101	1,063,121	1
Notes Payable (4020)*			2
Advance Billing and Payments (4030)*	10,750	12,396	3
Customer Deposits (4040)*			4
Current Maturities--Long-Term Debt (4050)*	392,436	275,418	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*	144,680	17,823	7
Other Taxes--Accrued (4080)*	4,110	174	8
Net Current Deferred Operating Income Taxes (4100)*			9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	78,361	73,759	11
Other Current Liabilities (4130)*	6,242		12
TOTAL CURRENT LIABILITIES	1,992,680	1,442,691	
LONG-TERM DEBT			
Funded Debt (4210)*	7,842,306	6,412,583	13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*			16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*			19
TOTAL LONG-TERM DEBT	7,842,306	6,412,583	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	103,288	106,312	20
Unamortized Operating ITC--Net (4320)*			21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*	351,502	238,296	23
Net Deferred Tax Liability Adjustments (4341)*			24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(36,947)	(3,713)	25
Other Deferred Credits (4360)*			26
Deferred Tax Regulatory Liability (4361)*			27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	417,843	340,895	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	1,200,000	1,200,000	28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*	107,341	37,176	30
Other Capital (4540)*	(4,783)	31,782	31
Retained Earnings (4550)*	9,680,231	5,449,394	32
TOTAL STOCKHOLDERS' EQUITY	10,768,107	6,644,000	
TOTAL LIABILITIES AND OTHER CREDITS	21,020,936	14,840,169	

IMPORTANT CHANGES DURING THE YEAR

1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

INTERSTATE ACCESS RATES WERE ADJUSTED TO LEVELS SPECIFIED IN THE COMPANY'S INTERSTATE ACCESS TARIFF DATED 7-1-01. ESTIMATED DECREASE IN ANNUAL REVENUE IS \$43,000.00. ESTIMATE BASED ON 2001 ANNUAL MINUTES.

2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

MOUNT HOREB TELEPHONE COMPANY OWNED A 25% SHARE OF PCS WISCONSIN, LLC. PSC-WI HELD AN F-BLOCK LICENSE WHICH ALLOWED IT TO CONSTRUCT AND OPERATE A PERSONAL COMMUNICATIONS SERVICES SYSTEM IN TEN COUNTIES IN SOUTHERN WISCONSIN. THE PSC-WI INVESTMENT WAS ACCOUNTED FOR UNDER THE EQUITY METHOD AND IN 2000 IS INCLUDED IN OTHER NONCURRENT INVESTMENTS. IN 2001, MOUNT HOREB TELEPHONE COMPANY WAS ADVISED BY THE 75% MEMBER OF PSC-WI OF THEIR INTENT TO SELL THEIR 75% INTEREST IN PSC-WI. IN OCTOBER 2001, MOUNT HOREB TELEPHONE COMPANY SOLD ITS 25% INTEREST IN PSC-WI FOR \$7,400,000., NET OF LEGAL AND OTHER COSTS RESULTING IN A GAIN BEFORE TAXES OF APPROXIMATELY \$5,600,000.00 WHICH IS INCLUDED UNDER THE HEADING OF NONOPERATING INCEOME AND EXPENSE ON THE INCOME STATEMENT.

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
MH Communications, Inc	MHCOM	1
MH Telecom, Inc	MHTELECOM	2

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	3940ATF103	Various	3940ATF103	Various	
Name of Affiliate	MHCOM	MHCOM	MHTELECOM	MHTELECOM	1
Designate whether billed to or from:	FROM	TO	FROM	TO	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M	CM	M	CM	3
Total Dollar Activity	---CONF---	---CONF---	---CONF---	---CONF---	4
Percent of affiliate's business billed to all affiliated regulated utilities	---CONF---	---CONF---	---CONF---	---CONF---	5
If cost based, rate of return on equity or markup incorporated in billings	---CONF---	---CONF---	---CONF---	---CONF---	6
Footnotes		A		B	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	206,965		1
Motor Vehicles	2112	230,280	36,198	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	102,686	3,204	6
Buildings	2121	817,041	101,700	7
Furniture	2122	43,631		8
Office Equipment	2123	56,626	0	9
General Purpose Computers	2124	129,844	25,354	10
TOTAL--GENERAL SUPPORT ASSETS:		1,587,073	166,456	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	2,369,659	1,985,006	12 c
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	1,635,311	378,351	16 c
TOTAL--CENTRAL OFFICE ASSETS:		4,004,970	2,363,357	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	2,718		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		2,718	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	5,795		22
Aerial Cable	2421	43,918	0	23
Underground Cable	2422	1,301,368	7,065	24
Buried Cable	2423	6,899,304	355,630	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	4,446	0	28
Aerial Wire	2431	2,878		29
Conduit Systems	2441	1,811,189		30
TOTAL--CABLE WIRE FACILITIES ASSETS:		10,068,898	362,695	
AMORTIZABLE ASSETS				
Capital Leases	2681	0	95,665	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			206,965	1
2112			266,478	2
2113			0	3
2114			0	4
2115			0	5
2116			105,890	6
2121	2,505		916,236	7
2122			43,631	8
2123	0	0	56,626	9
2124	1,845		153,353	10
	4,350	0	1,749,179	
2211			0	11
2212	2,329,644	(33,605)	1,991,416	12 c
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	353,529	33,605	1,693,738	16 c
	2,683,173	0	3,685,154	
2311			2,718	17
2321			0	18
2341			0	19
2351			0	20
2362			0	21
	0	0	2,718	
2411			5,795	22
2421	0	0	43,918	23
2422	0	0	1,308,433	24
2423	0	0	7,254,934	25
2424	0	0	0	26
2425			0	27
2426	0	0	4,446	28
2431			2,878	29
2441			1,811,189	30
	0	0	10,431,593	
2681			95,665	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	95,665
TOTAL TELECOM. PLANT IN SERVICE	2001	15,663,659	2,988,173
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	95,665	
	2,687,523	0	15,964,309	
2001			0	34
			15,964,309	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	27,886		1
Company Communications Equipment	2123.2	28,740		2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	2,369,659	1,985,006	4 c
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	164,722	14,739	10 c
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	1,470,589	363,612	12 c
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	43,918		14
Underground Cable - Nonmetallic	2422.1	253,993		15
Underground Cable - Metallic	2422.2	1,047,375	7,065	16
Buried Cable - Nonmetallic	2423.1	1,473,094	57,583	17
Buried Cable - Metallic	2423.2	5,426,210	298,047	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	4,446		22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1			27,886	1
2123.2			28,740	2
2212.1			0	3
2212.2	2,329,644	(33,605)	1,991,416	4 c
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1	82,189	22,936	120,208	10 c
2232.2			0	11
2232.3	271,340	10,669	1,573,530	12 c
2421.1			0	13
2421.2			43,918	14
2422.1			253,993	15
2422.2			1,054,440	16
2423.1			1,530,677	17
2423.2			5,724,257	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			4,446	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	150,937	20.0	13,635	1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	102,686	10.0	294	5
Buildings	2121	383,847	3.4	29,208	6
Furniture	2122	26,319	8.3	5,174	7
Office Equipment	2123	34,817	16.21	6,506	8
General Purpose Computers	2124	100,333	22.5	31,550	9
Total-- GENERAL SUPPORT ASSETS		798,939		86,367	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	2,295,263	10.0	223,415	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	584,017	10.14	177,550	15
Total-- CENTRAL OFFICE ASSETS		2,879,280		400,965	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	2,718			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	0			19
Other Terminal Equipment	2362	0			20
Total-- INFORMATION ORIG/TERM ASSETS		2,718		0	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	3,120	11.67	676	21
Aerial Cable	2421	13,415	6.0	2,635	22
Underground Cable	2422	645,757	8.51	111,058	23
Buried Cable	2423	3,410,778	8.0698	574,985	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	2,714	6.5	289	27
Aerial Wire	2431	2,878	16.0		28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	568,082	3.48	63,030	29
Total-- CABLE WIRE FACILITIES ASSETS		4,646,744		752,673	0
Total Accumulated Depreciation	3100	8,327,681		1,240,005	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100					
Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112					164,572	1
2113					0	2
2114					0	3
2115					0	4
2116					102,980	5
2121	2,505				410,550	6
2122					31,493	7
2123	0				41,323	8
2124	1,845				130,038	9
	4,350	0	0	0	880,956	
2211					0	10
2212	2,329,644		80,274		269,308	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	353,529				408,038	15
	2,683,173	0	80,274	0	677,346	
2311					2,718	16
2321					0	17
2341					0	18
2351					0	19
2362					0	20
	0	0	0	0	2,718	
2411					3,796	21
2421	0	271			15,779	22
2422	0				756,815	23
2423	0				3,985,763	24
2424	0				0	25
2425					0	26
2426	0				3,003	27
2431					2,878	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					631,112	29
	0	271	0	0	5,399,146	
3100	2,687,523	271	80,274	0	6,960,166	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
Office Support Equipment	2123.1	27,697	15.0	189		1
Company Communications Equipment	2123.2	7,120	20.0	6,317		2
Software	2212.1	0				3
Digital Switching - Central Office	2212.2	2,295,263	10.0	223,415		4
Digital Switching - Remote	2212.3	0				5
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	0				9
Digital Circuit Equipment	2232.1	132,048	12.0	15,365		10
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	451,969	10.0	162,185		12
Aerial Cable - Nonmetallic	2421.1	0				13
Aerial Cable - Metallic	2421.2	13,415	6.0	2,635		14
Underground Cable - Nonmetallic	2422.1	100,599	9.0	16,508		15
Underground Cable - Metallic	2422.2	545,158	6.5	94,550		16
Buried Cable - Nonmetallic	2423.1	513,657	8.5	99,170		17
Buried Cable - Metallic	2423.2	2,897,121	6.5	475,815		18
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	2,714	6.5	289		22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					27,886	1
2123.2					13,437	2
2212.1					0	3
2212.2	2,329,644		80,274		269,308	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1	82,189				65,224	10
2232.2					0	11
2232.3	271,340				342,814	12
2421.1					0	13
2421.2		271			15,779	14
2422.1					117,107	15
2422.2					639,708	16
2423.1					612,827	17
2423.2					3,372,936	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					3,003	22

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	5,449,394	4,657,516	1
Changes:			
Balance Transferred from Income	4,537,137	1,102,148	2
Dividends Declared:			
Common	306,300	310,270	3
Preferred		0	4
Total Dividends Declared	306,300	310,270	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>9,680,231</u>	<u>5,449,394</u>	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	2,382,389	2,156,279	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	2,382,389	2,156,279	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	241,454	230,449	11
Switched Access Revenue (5082)*	1,016,113	936,174	12
Special Access Revenue (5083)*	170,331	120,306	13 D
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,427,898	1,286,929	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	582,098	636,487	15
Special Access Revenue (5084.3)*	335,897	342,898	16
TOTAL INTRASTATE ACCESS REVENUES (5084)	917,995	979,385	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*		0	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	---CONF---	---CONF---	30
Rent Revenue (5240)*	---CONF---	---CONF---	31
Corporate Operations Revenue (5250)*	---CONF---	---CONF---	32
Miscellaneous:			
Miscellaneous Revenue (5260)*	---CONF---	---CONF---	33
Special Billing Arrangements Revenue (5261)	---CONF---	---CONF---	34
Customer Operations Revenue (5262)	---CONF---	---CONF---	35
Plant Operations Revenue (5263)	---CONF---	---CONF---	36
Other Incidental Regulated Revenue (5264)	---CONF---	---CONF---	37
Other Revenue Settlements (5269)	---CONF---	---CONF---	38
Total Miscellaneous Revenue (5260)	---CONF---	---CONF---	
Interstate Billing and Collection Revenue*	---CONF---	---CONF---	39
Intrastate Billing and Collection Revenue*	---CONF---	---CONF---	40
Total Carrier Billing and Collection Revenue (5270)*	---CONF---	---CONF---	
Nonregulated Operating Revenue (5280)**	---CONF---	---CONF---	41
TOTAL MISCELLANEOUS REVENUES	443,471	439,488	
GROSS OPERATING REVENUES	5,171,753	4,862,081	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	(10,511)	17,774	42 E
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	(10,511)	17,774	
TOTAL OPERATING REVENUES	5,182,264	4,844,307	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
Total Network Support Expense (6110)	2,862	2,360	1
Less: Nonregulated	0	0	2
Net Regulated	2,862	2,360	3
Total General Support Expense (6120)	85,365	73,376	4
Less: Nonregulated	0	0	5
Net Regulated	85,365	73,376	6
Total Central Office Switching Expense (6210)	94,751	101,573	7
Less: Nonregulated	0	0	8
Net Regulated	94,751	101,573	9
Total Operator Systems Expense (6220)	0	0	10
Less: Nonregulated	0	0	11
Net Regulated	0	0	12
Total Central Office Transmission Expenses (6230)	25,465	55,525	13
Less: Nonregulated	0	0	14 F
Net Regulated	25,465	55,525	15
Total Information Orig. / Term. Expense (6310)	0	0	16
Less: Nonregulated	0	0	17
Net Regulated	0	0	18
Total Cable and Wire Fac. Expense (6410)	188,652	181,111	19
Less: Nonregulated	0	0	20
Net Regulated	188,652	181,111	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	397,095	413,945	
Less: Nonregulated	0	0	
Net Regulated	397,095	413,945	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	0	0	22
Less: Nonregulated	0	0	23
Net Regulated	0	0	24
Total Network Operations Expense (6530)	42,822	47,555	25
Less: Nonregulated	0	0	26
Net Regulated	42,822	47,555	27
Access Expense (6540)	62,261	47,163	28
Less: Nonregulated	0	0	29 G
Net Regulated	62,261	47,163	30
Total Depreciation and Amortization Expense (6560)	1,240,005	1,153,800	31
Less: Nonregulated		0	32
Net Regulated	1,240,005	1,153,800	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,345,088	1,248,518	
Less: Nonregulated	0	0	
Net Regulated	1,345,088	1,248,518	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	7,402	2,389	34
Less: Nonregulated	0	0	35
Net Regulated	7,402	2,389	36
Total Services (6620)	654,613	613,089	37
Less: Nonregulated	0	0	38
Net Regulated	654,613	613,089	39
TOTAL CUSTOMER OPERATIONS EXPENSE	662,015	615,478	
Less: Nonregulated	0	0	
Net Regulated	662,015	615,478	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	141,837	126,796	40
Less: Nonregulated	0	0	41
Net Regulated	141,837	126,796	42
Total General and Administrative (6720)	336,065	281,883	43
Less: Nonregulated	0	0	44
Net Regulated	336,065	281,883	45
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated	0	0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	477,902	408,679	
Less: Nonregulated	0	0	
Net Regulated	477,902	408,679	
TOTAL EXPENSES	2,882,100	2,686,620	
Less: Nonregulated	0	0	
Net Regulated	2,882,100	2,686,620	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. (6511)	0	0	1
Provisioning Expense (6512)	0	0	2
Total: Reported in Account 6510	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	1,240,005	1,153,800	3 E
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	0	0	4
Amortization Expense--Tangible (6563)	0	0	5
Amortization Expense--Intangible (6564)	0	0	6
Amortization Expense--Other (6565)	0	0	7
Total: Reported in Account 6560	1,240,005	1,153,800	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	5,171,753	1
Plus: Collection of amounts previously written off	20,718	2
Less: Uncollectibles written off during the year	10,207	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	5,182,264	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,382,389	1
Plus: Total Intrastate Access Revenues (5084)	917,995	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	---CONF---	5
Plus (or Less) Other (please specify): NONE	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	---CONF---	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	5,171,753	1
Plus: Collection of amounts previously written off	20,718	2
Less: Uncollectibles written off during the year	10,207	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): NONE	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	5,182,264	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,382,389	1
Plus: Total Intrastate Access Revenues (5084)	917,995	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues	---CONF---	5
Plus (or Less) Other (please specify): NONE	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	---CONF---	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)	0	0	1
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)	0		2
Operating Federal Income Taxes (7220)	281,832	590,445	3
Operating State and Local Income Taxes (7230)	62,600	141,691	4
Operating Other Taxes (7240)	166,554	143,315	5
Provision for Deferred Operating Income Taxes--Net (7250)	131,688	(45,026)	6
TOTAL OPERATING TAXES (7200)	642,674	830,425	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)	0		7
Interest Income (7320)	93,864	93,117	8
Income from Sinking and Other Funds (7330)	0		9
Allowance for Funds Used During Construction (7340)	10,666	11,760	10
Gains or (Losses) from the Disposition of Certain Property (7350)	0		11
Other Nonoperating Income (7360)	5,734,063	38,035	12
Special Charges (7370)	11,652	10,756	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	5,826,941	132,156	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	2,614,439	(8,677)	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	387,477	383,088	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)	0	0	16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	54,622	17,141	17

NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

Nonregulated Activity (a)	
CUSTOMER PREMISES EQUIPMENT	1
INSIDE WIRING	2
PAYPHONES	3
SATELLITE TELEVISION PROGRAMMING	4

EMPLOYEE DATA - END OF YEAR

Report employee data based on primary allocation of respective wages and salaries.

Particulars (a)	Employees (b)	
Plant Operations		
Supervisory & Management		1
Central Office	1	2
Outside Plant	3	3
Building & Service	1	4
Other	1	5
Customer Operations		
Supervisory & Management		6
Operators		7
Business Office	8	8
Other		9
Corporate Operations		
Executive & General Management	3	10
Accounting & Finance	2	11
External Relations		12
Human Resources		13
Information Management		14
Legal		15
Procurement		16
Research & Development		17
Other		18
Other		
All Other Employees, Not Listed Above	12	19 H
Total Employees	31	
Part-Time Employees	9	20
Full-Time Employees	22	21
Total Part-Time and Full-Time Employees	31	

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	---CONF---	---CONF---	1
Extended Area Service	---CONF---	---CONF---	2
Extended Community Calling	---CONF---	---CONF---	3
Other Local-Undefined	---CONF---	---CONF---	4
Total Local	542	4,347	
TOLL			
Toll	450	2,247	5
Total Toll	450	2,247	
Total Local & Toll	992	6,594	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	1
Feature Group A -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	2
Feature Group B -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	3
Feature Group B -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	4
Feature Group C -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	5
Feature Group C -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	6
Feature Group D -- Orig.	---CONF---	---CONF---	---CONF---	---CONF---	7
Feature Group D -- Term.	---CONF---	---CONF---	---CONF---	---CONF---	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	66	1
Strand miles of plant - fiber optics	1,757	2
Route miles of plant - microwave	0	3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	---CONF---	---CONF---	1 J
56 kbps	---CONF---	---CONF---	2
64 kbps (DS0)	---CONF---	---CONF---	3 J
1.54 Mbps (DS-1)	---CONF---	---CONF---	4
45 Mbps (DS-3)	---CONF---	---CONF---	5 J
SONET OC-1	---CONF---	---CONF---	6 J
SONET OC-3	---CONF---	---CONF---	7 J
SONET OC-12	---CONF---	---CONF---	8 J
SONET OC-48	---CONF---	---CONF---	9 J
SONET OC-192	---CONF---	---CONF---	10 J

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	66	1
Strand miles of plant - fiber optics	1,757	2
Route miles of plant - microwave	0	3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	---CONF---	---CONF---	1 J
56 kbps	---CONF---	---CONF---	2
64 kbps (DS0)	---CONF---	---CONF---	3 J
1.54 Mbps (DS-1)	---CONF---	---CONF---	4
45 Mbps (DS-3)	---CONF---	---CONF---	5 J
SONET OC-1	---CONF---	---CONF---	6 J
SONET OC-3	---CONF---	---CONF---	7 J
SONET OC-12	---CONF---	---CONF---	8 J
SONET OC-48	---CONF---	---CONF---	9 J
SONET OC-192	---CONF---	---CONF---	10 J

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	---CONF---	---CONF---	3
2 Party	---CONF---	---CONF---	4
4 Party	---CONF---	---CONF---	5
PBX Trunks/System Trunks	---CONF---	---CONF---	6
Centrex Trunks	---CONF---	---CONF---	7
Centrex Lines	---CONF---	---CONF---	8
Key System Trunks	---CONF---	---CONF---	9
Mobile (Utility Provided Service)	---CONF---	---CONF---	10
Paging (Utility Provided Service)	---CONF---	---CONF---	11
FX-Out (Switched)	---CONF---	---CONF---	12
Pay Telephone	---CONF---	---CONF---	13
Coin-Operated Pay Telephone	---CONF---	---CONF---	14
Independent Pay Telephone Provider	---CONF---	---CONF---	15
Other	---CONF---	---CONF---	16
Total Business Lines	910	929	17
Residential (Incl. Emp. Concess.)			
1 Party	---CONF---	---CONF---	19
2 Party	---CONF---	---CONF---	20
4 Party	---CONF---	---CONF---	21
FX-Out (Switched)	---CONF---	---CONF---	22
Other	---CONF---	---CONF---	23
Total Residential Lines	3,923	3,954	24
Total Bus & Res Lines	4,833	4,883	25
Company Used Lines	61	93	26
Total Lines Used	4,894	4,976	27

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS	---CONF---	---CONF---	3
WATS Lines - 800 Service	---CONF---	---CONF---	4
FX-In-intraLATA	---CONF---	---CONF---	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	---CONF---	---CONF---	7
Special Access-interLATA			8
(expressed in equiv. access lines)	---CONF---	---CONF---	9
Feature Group A Lines	---CONF---	---CONF---	10
Feature Group B Trunks	---CONF---	---CONF---	11
Feature Group C Trunks	---CONF---	---CONF---	12
Feature Group D Trunks	---CONF---	---CONF---	13
TSPS - Trunks	---CONF---	---CONF---	14
EAS - Trunks	364	364	15
Cellular Trunks (Pub. Sw. Net.)	---CONF---	---CONF---	16
Video Distance Learning			17
- discounted (special tariff)			18
Customers			
Lifeline Customers	42	42	19
Linkup Customers	42	42	20
Other			
Total Company Square Miles	101	101	21
Total Company Route Miles	389	409	22
Footnotes			23
			24
			25

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	3570				1
Business					2
1 Party	---CONF---				3
2 Party	---CONF---				4
4 Party	---CONF---				5
PBX Trunks/System Trunks	---CONF---				6
Centrex Trunks	---CONF---				7
Centrex Lines	---CONF---				8
Key System Trunks	---CONF---				9
Mobile (utility provided service)	---CONF---				10
Paging (utility provided service)	---CONF---				11
FX-Out (Switched)	---CONF---				12
Pay Telephone	---CONF---				13
Coin-Operated Pay Telephone	---CONF---				14
Independent Pay Telephone Provider	---CONF---				15
Other	---CONF---				16
Total Business Lines	929	0	0	0	17
Residential (Incl. Emp. Concess.)					18
1 Party	---CONF---				19
2 Party	---CONF---				20
4 Party	---CONF---				21
FX-Out (Switched)	---CONF---				22
Other	---CONF---				23
Total Residential Lines	3,954	0	0	0	24
Total Bus & Res Lines	4,883	0	0	0	25
Company Used Lines	93				26
Total Lines Used	4,976	0	0	0	27

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	3570				1
Miscellaneous					2
WATS Lines - OutWATS	---CONF---				3
WATS Lines - 800 Service	---CONF---				4
FX-In-intraLATA	---CONF---				5
Special Access-intraLATA					6
(equiv. access lines)	---CONF---				7
Special Access-interLATA					8
(equiv. access lines)	---CONF---				9
Feature Group A Lines	---CONF---				10
Feature Group B Trunks	---CONF---				11
Feature Group C Trunks	---CONF---				12
Feature Group D Trunks	---CONF---				13
TSPS - Trunks	---CONF---				14
EAS - Trunks	364				15
Cellular Trunks (Pub. Sw. Net.)	---CONF---				16
Video Distance Learning					17
- discounted (special tariff)					18
Other					19
Exchange Square Miles	101				20
Exchange Route Miles	409				21
Footnotes					22

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
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Lucent	ATT/LUC	5
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Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
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EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	MOUNT HOREB				1
PSCW Exchange ID	3570				2
Central Office Name	MOUNT HOREB				3
PSCW Central Office ID	1				4
Central Office CLLI Code	MTHBWIXA437				5
Manufacturer of COE (Page 54)	SI				6
Year COE Installed	2001				7
Type of Equipment (Page 54)	D				8
(S)tandalone, (H)ost, (R)emote, (A)dv Fiber Comm	H				9
Remote Host PSCW Exchange ID					10
Remote Host PSCW Central Office ID					11
COE Generic Software Release No.	18.0				12
SS7?	Yes				13
9-1-1?	Yes				14
Access Lines - In Use	4,976				15
- Equipped	5,500				16
- Wired	10,000				17
Trunks - In Use	753				18
- Equipped	960				19
- Wired	960				20
ISDN Available?	No				21
ISDN Lines - In Use (BRI)	---CONF---				22
- In Use (PRI)	---CONF---				23
XDSL Available?	Yes				24
- In Use (# lines)	---CONF---				25
Switched 56 Service?	No				26
Switched 56 lines in use	---CONF---				27
Digital Transmission Facilities: DS-1 - In Use	---CONF---				28
DS-3 - In Use	---CONF---				29
Advanced Data Service Available:					
Packet Switching?	No				30
SMDS?	No				31
Frame Relay?	No				32
ATM (Asynchronous Trans. Mode)?	Yes				33
Video Information - Service Available?	Yes				34
- In Use (# lines) ¹	---CONF---				35
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	216				36
No. of fiber strands working (LIT) in C.O.	---CONF---				37
No. of fiber strands for interoffice use	36				38
Miles of fiber sheath in wire center	67				39
Access Tandem Serving this C.O.:					
- C.O. Name	MADISON				40
- PSCW C.O. ID	3080-01				41
Does this C.O. do access tandem switching?	No				42
Footnotes					43

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Schedule Line Footnotes

- A) 3490ATF102, 3490ATF103, 05ATF132
- B) 05ATF134, 3490AT103, 05AT132
- C) PER SUBSEQUENT REVIEW OF WORK ORDER CLOSING, CERTAIN RECLASSIFICATIONS OF VARIOUS LABOR AND EQUIPMENT WERE NECESSARY FOR ACCURATE REPORTING.
- D) TWO NEW DS-3S WERE CHARGED TO THIS ACCOUNT IN 2001. THIS ACCOUNT ALSO INCLUDES CHARGES TO AN AFFILIATE FOR SWITCHING, LINE PORT, AND TRUNK PORT IN 2001. BOTH OF THESE FACTORS CONTRIBUTE TO THE INCREASE IN ACCOUNT 5083.
- E) IN THE PRIOR YEAR, THE COMPANY REDUCED THE TIME PERIOD FOR ACCOUNT WRITE OFFS. THIS RESULTED IN AN INCREASE IN THE WRITE OFFS OF UNCOLLECTIBLE ACCOUNTS FOR THE YEAR ENDED 12/31/00. IN THE CURRENT YEAR, MANY OF THE ACCOUNTS, INCLUDING LARGE AMOUNTS FROM A PARTICULAR CARRIER, WERE COLLECTED WHICH HAD BEEN PREVIOUSLY WRITTEN OFF. THIS ACCOUNTS FOR THE LARGE SWING IN THE UNCOLLECTIBLES IN ACCOUNT 5301.
- F) IN THE PRIOR YEAR, A HIGH AMOUNT OF LIGHTENING DAMAGE TO THE COMPANYS DIGITAL SUBSCRIBER UNITS OCCURRED. ALSO, IN THE PRIOR YEAR, CERTAIN CHARGES WERE BOOKED TO 6232.3 IN THE AMOUNT OF \$17,000.00 IN THE CURRENT YEAR, THESE CHARGES ARE BEING BOOKED TO 6212. THIS EXPLAINS THE DECREASE IN THE 6230 ACCOUNTS IN THE CURRENT YEAR.
- G) A FULL YEAR OF WISCONSIN USF PAYMENTS OCCURRED IN THE CURRENT YEAR. THIS ACCOUNTS FOR AN INCREASE OF \$6,000.00. TEACH/UW SYSTEMS USF ALSO INCREASED BY \$1,600.00. PAYMENTS TO USAC INCREASED BY \$3,300.00. ACCESS CHARGES FROM WIRELESS CARRIERS ALSO INCREASED BY \$3,000.00.
- H) MAJORITY OF EMPLOYEES TIME IN 2001 WAS CHARGED TO AFFILIATE OPERATIONS. THEREFORE, EXPENSES ARE PROPERLY RECORDED BY AFFILIATE.
- J) ZERO VALUE INDICATES ZERO CIRCUITS AT YEAR END.